

## Message Text

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PAGE 01 STATE 004071  
ORIGIN NEA-10

INFO OCT-01 ISO-00 SS-15 DODE-00 PM-04 L-03 CIAE-00 INR-07  
NSAE-00 ACDA-07 OMB-01 TRSE-00 IGA-02 AID-05 SSO-00  
INRE-00 MC-02 /057 R

DRAFTED BY NEA/EGY:GRBEYER:SEB  
APPROVED BY NEA/EGY:DONEWBERRY  
DOD/ISA:CAPT. WILSON  
DOD/DSAA:JHOENIG  
PM:DKEENE  
NEA/ARP:JLYLE

-----072315Z 109071 /64

O 072255Z JAN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY CAIRO IMMEDIATE  
AMEMBASSY ABU DHABI IMMEDIATE

C O N F I D E N T I A L STATE 004071

E.O. 11652: GDS

TAGS: MASS EG US

SUBJECT: PAYMENT FOR SIX C-130 AIRCRAFT FOR EGYPT

REF: A)ABU DHABI 0063; B) STATE 2004

1. FOLLOWING RECEIVED FROM USAF/DSAA CONCERNING PAYMENT  
FOR EGYPTIAN SIX C-130 AIRCRAFT:

2. QUOTE:

REFERENCED MEMORANDUM REQUESTED THE AMOUNT DUE, THE  
SCHEDULE OF PAYMENTS, AND THE METHOD OF PAYMENT TO BE  
EMPLOYED IN THE SALE OF THE C-130 AIRCRAFT TO EGYPT. THE  
FOLLOWING INFORMATION, PROVIDED IN RESPONSE TO YOUR MEMO-  
RANDUM, IS CONSIDERED CONFIDENTIAL INFORMATION BETWEEN THE  
UNITED STATES GOVERNMENT AND THE GOVERNMENT OF EGYPT (GOE)  
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AND SHOULD NOT BE RELEASED DIRECTLY TO THIRD COUNTRIES  
WITHOUT PERMISSION OF THE GOE:

A) AMOUNT DUE ON SALE: \$31.0 MILLION  
B) SCHEDULE OF PAYMENTS:  
--WITH ACCEPTANCE \$26.1 MILLION (PAID)  
--OCTOBER 1976 11.9 MILLION (PAID)  
--FEBRUARY 1977 25.4 MILLION

--APRIL 1977 5.6 MILLION

TOTAL ----- 69.0 MILLION

C) METHOD OF PAYMENT: PAYEE WILL SEND A CERTIFIED CHECK,  
PAYABLE IN U.S. DOLLARS AND MARKED FOR PROJECT PEACE  
PYRAMID, TO THE FOLLOWING ADDRESS: THE AIR FORCE ACCOUNTING  
AND FINANCE CENTER, STATION 3800, DENVER, COLORADO 80279.

3. IT SHOULD BE CLEARLY POINTED OUT TO CONCERNED PARTIES  
THAT THE ABOVE FIGURES ARE ESTIMATES OF THE PROJECTED COSTS  
INVOLVED IN THIS SALE AND THE QUOTED PAYMENT SCHEDULE IS  
SUBJECT TO ADJUSTMENT ON THE BASIS OF THE FINAL BILLING AT  
THE CONCLUSION OF THIS SALE. UNQUOTE.

4. BRIGADIER SHAFFEI IS CORRECT THAT PAYMENTS REQUIREMENTS  
SECTION OF LOA DOES INCLUDE TEN PERCENT RESERVE FOR POSSI-  
BLE ESCALATION OF COSTS I.E. POSSIBLE NEED FOR AS MUCH AS  
ADDITIONAL \$7.0 MILLION (1976 CAIRO 17141). TOTAL GOE  
MAY NEED TO PURCHASE C-130S, THEREFORE, IS ADDITIONAL \$38  
MILLION.

5. WE DO NOT RPT NOT WANT TO GET IN MIDDLE BETWEEN GOE AND  
UAE OVER FINANCING PAYMENTS FOR GOE'S PURCHASE OF THESE  
SIX C-130 AIRCRAFT. WHENEVER USG HAS ALLOWED THIS TO  
HAPPEN, IT HAS CREATED MORE PROBLEMS THAN IT HAS SOLVED.  
NEVERTHELESS APPRECIATE DESIRE OF AMBASSADOR DICKMAN IN  
ABU DHABI TO BE AS RESPONSIVE TO UAE FOREIGN MINISTER  
SUWAIDI AS POSSIBLE. THEREFORE UPON ADVICE THAT EMBASSY  
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CAIRO HAS OBTAINED GOE CONCURRENCE, DICKMAN MAY ADVISE  
SUWAIDI INFORMATION PARA 2B AND C AND PARA 3 ABOVE,  
NOTING THAT SALES CONTRACT CALLS FOR POSSIBLE COST OVERRUN  
OF 10 OR ABOUT \$7 MILLION. TOTAL GOE MAY BE REQUIRED TO  
SPEND, THEREFORE, IS AT LEAST ADDITIONAL \$38 MILLION. FYI.  
NOT ONLY ARE COST OVERRUNS ON PARTICULAR COMPONENTS OF  
C-130S DIFFICULT TO ESTIMATE, BUT ALSO OTHER ASPECTS OF  
CONTRACT, FOR EXAMPLE TRAINING AND TRAVEL COSTS ASSOCIATED  
WITH SALE. WE DO NOT RPT NOT WANT EMBASSY ABU DHABI TO  
GET INVOLVED IN SUCH DETAILS. END FYI. SUWAIDI SHOULD  
BE REFERRED TO GOE OFFICIALS CONCERNED FOR FURTHER DETAILS  
ON SALE.  
KISSINGER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEBT REPAYMENTS, TRANSPORT AIRCRAFT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Jan-1977 12:00:00 am  
**Decapton Date:** 01-Jan-1960 12:00:00 am  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE004071  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GRBEYER:SEB  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Line Count:** 110  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 3e8630dc-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ABU DHABI 63, 77 STATE 2004  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 21-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3641567  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PAYMENT FOR SIX C-130 AIRCRAFT FOR EGYPT  
**TAGS:** MASS, EG, US  
**To:** CAIRO ABU DHABI  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3e8630dc-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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